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TO RUEHC/SECSTATE WASHDC IMMEDIATE 8080
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
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UNCLAS SECTION 01 OF 02 JERUSALEM 001253

SIPDIS

SENSITIVE SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR WILLIAMS/SHAMPAINE/STEINGER; PRM FOR PDAS GREENE AND PRM/ANE; NSC FOR ABRAMS/WATERS; TREASURY FOR SZUBIN/LOEFFLER/NUGENT/HIRSON; BRUSSELS FOR LERNER; PLEASE PASS TO USAID FOR KUNDER/MCCLOUD/BORODIN

E.O. 12958: N/A

TAGS: EAID ECON EFIN KPAL KWBG PGOV PHUM

SUBJECT: GAZA: FOOD AND FUEL AVAILABLE FOR NOW

11. (SBU) Summary: Basic food commodities and fuel remain available in Gaza, but prices are increasing and food stocks are declining rapidly, according to Gaza residents, UN agencies and NGOs. UNRWA and WFP have resumed operations, but UNRWA says it has only 10 days of flour in its warehouses. If Karni/al-Mintar crossing remains closed, several basic foodstuffs will become extremely scarce by the end of June. End Summary.

## FUEL FLOWS

 $frac{1}{2} ext{.}$  (SBU) The Israeli company Dor resumed shipments of all petroleum products into Gaza through the Nahal Oz crossing June 18, according to several ConGen contacts. Prime Minister Fayyad confirmed this with the Consul General on June 18. A temporary suspension of shipments had resulted in long lines at Gaza Gas stations June 16-17, as Palestinians attempted to fill up while supplies lasted. A Palestinian retailer of petroleum products advised EconSpecialist June 18 that, although fuel is flowing, confusion exists on the Gaza side over who from the PA should be involved in the process. The retailer said he expects a resolution of the issue later on June 18. Hamas Executive Forces entered the Gaza side of the Nahal Oz crossing early June 18 and demanded fuel, but were convinced to leave empty-handed, according to the retailer. The Gaza Power Plant reportedly received a delivery of fuel late on June 17 sufficient for three days.

## FOOD AVAILABLE

13. (SBU) Karni/al-Mintar crossing, the main commercial artery for Gaza, has remained closed since June 11. WFP staff told Econoff June 18 that sugar, wheat flour and cooking oil supplies are sufficient for one-to-two weeks. Most bakeries have a five-day supply of wheat flour and oil, according to the WFP. Gaza-based OCHA staff report that bakeries are limiting sales to one bag of bread per customer, and lines have formed at most Gaza bakeries. Food stocks are being depleted faster than usual because Gaza residents have begun hoarding basic food commodities. Prices on some items have risen as much as 40 percent. Dairy products -- most of which are imported through Karni/al-Mintar crossing -- are in limited supply.

14. (SBU) WFP Spokesperson Kirstie Campbell advised Econoff June 18 that WFP resumed operations in Gaza June 17. UNRWA's Gaza Director of Field Operations John Ging announced publicly that his agency had resumed full operations June 17 throughout the entire Gaza Strip after a two-day cessation of activity. (Note: WFP and UNRWA provide food assistance to over 1 million Gazans. End note.) WFP and UNRWA completed partial food distributions prior to Karni/al-Mintar's most recent closure. WFP assistance beneficiaries will have their needs met until late July/early August. Ging advised June 18 that UNRWA's stock of basic foodstuffs is sufficient for one month, but its supply of flour will last only 10 days.

## HOSPITALS OPERATIONAL

14. (SBU) Gaza-based WHO staff advised Econoff June 18 that most hospitals in Gaza have returned to normal operations and have, in general, one-month of medicines and medical supplies. Hospital personnel are again working regular shifts, although the three Gaza vascular surgeons continue to work almost non-stop on wounded fighters and civilians. The PA Ministry of Health (MOH) has called for blood donations. WHO staff noted that some medical equipment requires maintenance and parts, most of which must be imported through Karni/al-Mintar. WHO is working to coordinate the entry of some medical supplies into Gaza from the MOH warehouse in Ramallah. The electricity supply from the Gaza Power Plant remains unreliable, so hospitals use diesel-powered generators. Hospital directors reported to WHO June 18 a 5-10 day supply of diesel fuel remaining.

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## Crossings

15. (SBU) All Gaza crossings remained closed June 18, except Nahal Oz for fuel shipments and Erez for pedestrians traffic with special coordination. Erez opened briefly but closed after a large crowd of Palestinians attempting to flee Gaza rushed the crossing.

WALLES